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Latino Retail Entrepreneurs' Contributions to Community and Economic Development in Iowa: A Community Leader Perspective

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Background and Introduction: In the last several decades, Latino immigrants have extensively impacted the economies of both rural and urban areas of the United States. The cultural-based products and services of U.S. Latino entrepreneurs bring new economic opportunities to both rural and urban communities and boost local economic development (Hesson, 2015; Sparshott, 2017). Latino culture lends itself to businesses focusing on decorative arts, cuisine, events, festivals, dance, and music. Latinos have rich cultural and historical roots that are deeply embedded in daily life. Their culture is expressed through both formal and informal activities, including literature, popular culture, music, cuisine, dance, and folk art (Iowa Public Television, 2016). Latino owned businesses tend to feature products and services in the U.S. that are inspired by their culture, heritage, and resources of the country of origin. Latino small retail business owners, who sell cultural products or services (e.g. Quinceañera, apparel, decorative products, food and restaurants and music) are referred to in this research as bi-cultural entrepreneurs (BCEs).

Problem definition and Purpose: Latino immigrants are widespread across rural and urban areas of the United States. This population segment grew four times faster than non-Latinos between 2000 and 2010. In 2017, the Latino population accounted for more than half of the total U.S population increase. This reflects a growth of 58.6 million (17.8%) of the 325.7 million total U.S population (United States Census Bureau, 2017). In Iowa, immigrants have restored vitality to many rural and urban communities in terms of bolstering the local workforce and providing cultural diversity (Gibney & Fisher, 2014). This study analyzed the opportunities and challenges of Latino bi-cultural retail entrepreneurs and their potential impact on economic development in selected rural and urban communities of Iowa. The purpose of this study was to: 1) determine types of cultural products featured by Latino bi-cultural entrepreneurs in Iowa, 2) identify the issues that hinder business startup and sustainability for Latino BCEs, 3) recognize opportunities for increased business growth and scalability, and 4) gain an insight into Latino retail entrepreneurs' contributions to community and economic development in Iowa from the perspective of local community leaders.

Method: Using a focus group approach (Morgan, 1997), semi-structured in-depth interviews (N=12) were conducted with community leaders in selected Iowa communities to examine the above-mentioned purpose. Participants were purposely selected with the assistance of Extension professionals who worked closely with Latino community members. The sample included eight Latino and four non-Latino community leaders who possessed in-depth knowledge concerning

local economic development, such as a director of a Chamber of Commerce, a City Manager, Extension Specialists, and several local business leaders. Interviews were audiotaped and transcribed for purposes of analysis. Qualitative methods were used for coding and development of emergent themes (Creswell, 2013).

Findings: The cultural businesses referenced by community leaders included: handcrafts, Quinceañera store and event planning business, flea market and event business, Latino music provider, Latino radio service, Latino non-profit concert events, and Mexican foods and bakery. Issues that hindered start-up and sustainability for the Latino retail entrepreneurs included language barriers, lack of professional support, lack of business resources and resource accessibility, limited business related education related to marketing management, and inability to access adequate start-up capital. Most Latino BCEs had only earned a high school education. Furthermore, they did not have business resources and connections with business professional networks. Therefore, Latino BCEs were resource constrained at all stages of business growth. A number of factors were indicated as negatively influencing business sustainability including: lack of knowledge concerning competitors, low entrepreneurial mindset, lack of vision, and failure to understand the importance of customer service. Pricing was and marketing were also identified as key factors that limited the competitiveness of Latino BCEs in this study. However, community leaders also cited a number of contributions of Latino BCEs to local community development, such as drawing people to town and make the community more of a destination. Latino BCEs rejuvenated the local economy by generating cultural products and services that attracted people to the community to shop, dine, and experience other amenities offered.

Conclusions, Implications, Future Research: To date no study has investigated the cultural products and services offered by small Latino retail BCEs nor the community and economic contributions of these businesses. This research fills a gap in the literature and has important implications for the study of cultural products and services. Understanding issues and contributions of Latino small retail BCEs is important to business consultants, policy makers, and government officials for planning community and economic improvement. Findings of this study provide foundational evidence needed for community improvement and business assistance materials regarding entrepreneurial ventures for cultural products and services. Future research could study a larger and more diverse sample of community leaders related to the problems and contributions of Latino business ownership in rural and urban areas. A second companion qualitative research paper is planned concerning Latino BCEs views of their business experiences in Iowa including target customers for cultural product offerings, and operational issues, challenges, and opportunities. The BCEs' perceptions of their community and economic contributions will also be examined. With the tremendous growth of the Latino population in Iowa and the U.S. overall, the present study and future planned research will of great interest to academicians, community development specialists, Extension educators, and business assistance providers.

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